

8 September 1982

MEMORANDUM FOR: Director of Central Intelligence
THROUGH: Deputy Director of Central Intelligence
FROM: []
Director, Intelligence Community Staff
SUBJECT: [] Cost Increases []

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1. Action Requested: That you sign the attached correspondence to congressional committees notifying them of your support and requesting congressional approval for NSA program adjustments to cover [] cost increases. []

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3. Discussion: The major area of difficulty at this point appears to be form, not substance. We have reviewed NSA's explanation for the various elements of cost growth and find them understandable though not thoroughly excusable. Those areas identified for trade-off are appropriate, and in light of the importance of [] collection should be supported. In this area, OMB, OSD and even the congressional staffs seem to be in agreement. However, some congressional staffs, most notably the HAC, believe the adjustments

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SUBJECT: [REDACTED]

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described by NSA are of a reprogramming nature and cannot be accomplished without prior congressional approval. On the other hand, NSA believes their actions do not exceed previously stated DoD reprogramming thresholds; therefore, these actions require at most congressional notification, not prior approval. [REDACTED] 25X1

4. Further complicating the issue and the crux of current controversy are the required FY 1983 adjustments and the status of the FY 1983 budget process. The Authorization Committees have completed their actions on the FY 1983 budget request. The Appropriations Committees are still reviewing the FY 1983 NFIP. Mr. Van Wagenen, HAC Staff, does not believe it is appropriate for the HAC to mark up and approve the current (FY 1983) CCP portion of the NFIP since it does not contain the requested [REDACTED] offsets and, this does not accurately reflect the most current nature of what is required. [REDACTED] 25X1 25X1

5. NSA has provided substantial supplementary data to Mr. Van Wagenen explaining details of FY 1980, FY 1981, FY 1982, and FY 1983 internal CCP tradeoffs. On 19 August 1982, they further informed Mr. Van Wagenen that the prime contractor, [REDACTED] would run out of contractual funds by 22 August 1982, thus exacerbating the [REDACTED] problem. Mr. Van Wagenen interposed no substantive disagreement with NSA's action but maintained they had procedurally erred and asked for a letter from the DCI to support NSA's request. [REDACTED] 25X1 25X1 25X1

6. After consultation with OMB, OSD, NSA and Mr. Van Wagenen, we have prepared such a letter for your signature and release to both Authorization Committees and the House Appropriations Committee. The Senate Appropriations Committee advised earlier notification was sufficient for their purposes and the proposed DCI letter was neither required nor desired. You will note the tone of the letter is somewhat apologetic, and by asking for after-the-fact concurrence in the FY 1980, FY 1981, and FY 1982 adjustments, opens us up to severe criticism.

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SUBJECT: [REDACTED]

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However, in light of the FY 1980 Appropriations Conference Report language holding NSA to [REDACTED] project, this problem is clearly a matter of congressional interest and subject to their approval.

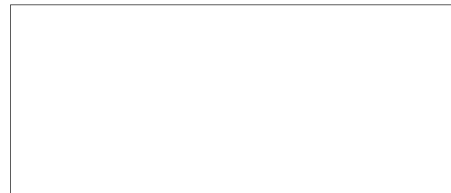
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[REDACTED]

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7. Recommendation: That you sign the attached letters (Tab B) to the three congressional committees. [REDACTED]

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Attachments:

Tab A -
Tab B -



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SUBJECT:

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Memo to DCI for Signature on Ltrs to Cmte Members

DCI/ICS/OPBC/ 31 Aug. 82)

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retyped:is (3 Sept 82)

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